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Trane Systems, A Business of American Standard
PUBLIC STAKEHOLDER STATEMENT

State of New Jersey—Energy Master Plan

My name is Andy Stevenson and I represent Trane Systems, A Business of American Standard. American Standard's world headquarters is located in Piscataway in Middlesex County. In addition to our corporate headquarters, we also have manufacturing and research facilities in New Jersey. I currently serve as the Plant Manager for the company's major manufacturing facility in Trenton on East State Street. Trane is the largest private employer in Mercer County with 1100 employees earning, on average, almost $60,000 per year. At the Trenton site, we produce 920,000 components each year that go into comfort systems for homes and small businesses sold throughout the United States.

Trane appreciates the state's efforts in designing energy policy to meet the ever-changing energy landscape and I appreciate the opportunity to provide comments and support as this effort moves forward.

Specifically, I would like to address the state's goal to reduce projected energy use by 20% by 2020. As the state acknowledges, it will take a combination of energy efficiency, conservation, and renewable energy resources to allow New Jersey to meet any future increase in demand without increasing its reliance on non-renewable resources. We applaud you for setting a high bar and an example for other states to follow.

I think we all recognize that a growing economy increases the demand for oil and other energy sources. We also recognize that the building boom is placing demands previously unimaginable on our limited energy resources.

At Trane, we think about energy in a few different ways. We think about energy efficiency as a way for our customers to save money in operating their buildings. We think about energy efficiency as an important and valuable way of contributing to a better environment. We think about energy efficiency as a factor in making truly informed decisions about how we can do the right thing for the environment in our product development, refrigerant selections, and other industry specific issues.

To that end, energy efficient HVAC systems can play a significant role in managing those limited resources. Inefficient HVAC systems are being installed in many projects, worsening an already significant energy problem. Significant improvements in energy efficiencies can be made by implementing currently available and cost-effective technologies and equipment. In addition, implementing maintenance and repair technologies that ensure HVAC system quality and reliability results in continued energy efficiency.

We believe that effective public policies supporting a comprehensive approach to energy efficiency should be enacted. Specifically, we believe that elements of these balanced policies should include:

- Passage of Performance Contracting Legislation that would promote cost-effective energy efficiency and conservation options for commercial, industrial, governmental and residential energy users. This move would allow for negotiated energy performance agreements and significantly reduce energy consumption and reduce user costs.

- Establishment of an Advisory Panel of Energy Experts comprised of representatives from consumer groups, environmental organizations and business & industry to support the revision of the Energy Plan by providing best practice examples and proposals for the state to consider.

- Incentives for exceeding minimum efficiency standards for cooling systems – Roughly 50% of a building's energy usage is devoted to HVAC systems therefore incentives for capital investment in more-than-minimum efficient technologies and systems, taking advantage of today's best available technology, would provide major improvements in energy efficiency. A high standard can help the state meets its energy goal, can spur technology improvements and is a meaningful step that can be implemented today. We propose that the state provide incentives for applications of chillers for large applications to the best 25% of chillers available with 2 or more competitors such as the US Dept of Energy has mandated. For small applications such as homes and small businesses, we propose incentives on equipment that meets or exceeds US EPA's Energy Star standards or that is 10% - 15% above Federal minimums.

A big lesson we have learned is that through customer education and smart engineering, we can make big progress with small steps. In fact, sometimes the smaller steps are the most important ones.

My company will continue to do its part by using our technological expertise to bring new products to market that help others more effectively and efficiently use the state's precious (and costly) energy resources. We will also take steps to improve areas where we currently lead the way including thermal storage, refrigerant and compressor upgrades, performance contracting and support of Green Building practices.

Finally, Trane will continue to play an active and constructive role in the development of balanced public policies to address energy efficiency both globally and in the State of New Jersey. Thank you for allowing me to address you and provide these comments as the panel revises the State's Energy Master Plan.